

Message Text

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44

ACTION EUR-12

INFO OCT-01 EA-06 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00

INRE-00 SP-02 AID-05 EB-04 NSC-05 RSC-01 CIEP-01

TRSE-00 SS-15 STR-01 OMB-01 CEA-01 AEC-05 CIAE-00

COME-00 DODE-00 FEAE-00 FPC-01 H-01 INR-05 INT-05

L-01 NSAE-00 PM-03 SAM-01 SCI-02 FRB-01 PA-01 PRS-01

DRC-01 SWF-01 LAB-01 SIL-01 /086 W
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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 7639

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION OECD PARIS

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PARIS PASS ASSISTANT SECRETARY ENDERS

E.O. 11652: N/A

TAGS: EEC, ENRG, US

SUBJECT: EC TO CONSULT WITH MAJOR OIL COMPANIES IN BRUSSELS

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1. SUMMARY. EC COMMISSION HAS INFORMED US THAT SIMONET IS

INVITING TWELVE MAJOR OIL COMPANIES TO BRUSSELS ON OCTOBER 28-30 AND NOVEMBER 4 FOR AN EXCHANGE OF VIEWS ON THE ANTICIPATED IMPACT ON SUPPLY AND PRICE OF THE DECISIONS ON OIL PRICE TAKEN BY OPEC IN VIENNA IN SEPTEMBER. END SUMMARY.

2. EC COMMISSION DIRECTOR FOR HYDROCARBONS BRONDEL CALLED MISSION OFFICERS IN ON OCTOBER 17 TO INFORM THE USG OF AN INITIATIVE BEING TAKEN BY THE COMMUNITY. HE SAID THAT ACTING ON A REQUEST BY THE ENERGY COMMITTEE, COMMISSION VICE PRESIDENT SIMONET WAS SENDING LETTERS OF INVITATION TO TWELVE MAJOR OIL COMPANIES (EXXON, TEXACO, MOBIL, GULF, STANDARD OF CALIFORNIA, BP, SHELL, ENI, PETROFINA, VEB/GELSENBERG, CFP AND ELF) TO MEET IN BRUSSELS ON OCTOBER 28, 29, 30 AND NOVEMBER 4. THE DISCUSSIONS ARE TO BE LIMITED TO AN EXCHANGE OF VIEWS ON THE IMPLICATIONS FOR OIL PRICE AND SUPPLY OF THE DECISIONS TAKEN BY OPEC IN VIENNA IN SEPTEMBER TO INCREASE THE TAX PAID BY THE COMPANIES TO THE PRODUCER COUNTRIES AND IN THE FUTURE TO LING THE PRICE OF OIL TO THE RISE IN THE PRICE OF INDUSTRIAL PRODUCTS. BRONDEL SAID HE WANTED TO INFORM US OF THIS INITIATIVE BECAUSE, EVEN THOUGH SIMONET HAS MET WITH ALL THE MAJOR COMPANIES INDIVIDUALLY AND INFORMALLY, THIS IS THE FIRST TIME THERE HAS BEEN WHAT BRONDEL CALLED "OFFICIAL" CONTACT.

3. THE COMPANIES WILL MEET WITH THE COMMISSION INDIVIDUALLY, WITH SOME OF THE MEETINGS CHAIRED BY SIMONET AND OTHERS BY EC COMMISSION DIRECTOR GENERAL FOR ENERGY, SPAAK. ALTHOUGH THE FACT THAT THE MEETINGS WILL TAKE PLACE WILL NOT BE SECRET, THE MATERIAL COLLECTED WILL BE CONFIDENTIAL. BRONDEL SAID THE ENERGY COMMITTEE AS SUCH WILL NOT PARTICIPATE. THE NINE MEMBER COUNTRIES ARE INVITED TO ATTEND IF THEY WANT TO BUT CERTAIN COUNTRIES HAVE ALREADY INDICATED THEY PREFER THE COMMISSION TO ACT FOR THEM.

4. BRONDEL WENT TO CONSIDERABLE PAINS TO EMPHASIZE THAT THE COMMISSION'S MEETING WITH THE COMPANIES SHOULD IN NO WAY BE THOUGHT TO BE IN COMPETITION WITH OR A DUPLICATION OF THE CONSULTATIONS BETWEEN THE COMPANIES AND THE ECG. THE SCOPE OF THE EC MEETINGS IN THE CASE AT HAND WAS VERY MUCH MORE RESTRICTED THAN THE CONSULTATIONS SCHEDULED IN THE ECG CONTEXT. IN GENERAL TERMS ALSO, BRONDEL STRESSED THAT THE LIMITED OFFICIAL USE

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EC HAD NO INTEREST WHATEVER IN DUPLICATING ANY ACTIVITY OF THE ECG OR THE NEW AGENCY. HE DESCRIBED THE ROLE OF THE TWO GROUPS AS COMPLEMENTARY, NOT COMPETITIVE.

5. BRONDEL WAS A BIT DEFENSIVE THROUGHOUT HIS PRESENTATION. HE SEEMED TO RECOGNIZE THE US MIGHT BE SENSITIVE TO THE EC TAKING THIS INDEPENDENT INITIATIVE IN ENERGY AND HE EMPHASIZED ITS

INFORMATION-GATHERING NATURE. THE COMMISSION MAY ALSO BE
CONCERNED ABOUT AMERICAN COMPANIES' REACTIONS TO THIS INITIATIVE.
GREENWALD

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